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MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

TARIFFS

New Delhi, the 31st July 1954

No. 9(1)TB/54.—The Tariff Commission has submitted its Report on the continuance of protection to the Bichromates Industry on the basis of an enquiry undertaken by it under sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection should be continued for a further period of four years from the 1st January, 1955 at the existing rate of duty, *viz.*, 31½ per cent. *ad valorem* (inclusive of surcharge). The protective duty should continue to apply to chrome compounds as well as to sodium and potassium bichromates.
- (2) The industry should be granted a refund of the customs duty paid by it on imported soda ash which is used in the manufacture of bichromates for export.
- (3) The Central Government should draw the attention of the State Governments, Railways, local authorities and semi-Government bodies to the substantial benefit likely to accrue to the domestic bichromate industry by their adoption of khaki uniforms. The attention of the All India Khadi and Village Industries Board may also be drawn to this matter so far as Khadi uniforms are concerned.
- (4) Steps should be taken in consultation with the Forest Research Institute, Dehra Dun, to encourage wood preservation by chemical treatment, as this will result in increased consumption of bichromates.
- (5) The National Chemical Laboratory has evolved a process for the purification of sugar cane wax which is likely to offer an additional outlet for bichromates. The question of commercial exploitation of this process should be given early consideration.
- (6) The desirability of liberalising the export policy regarding mineral khaki cloth or, alternatively, of bringing about an increase in the capacity of the more efficient mills, if the existing capacity of such mills is considered inadequate to permit a liberalisation of exports, should be considered with a view to expanding the total production of mineral khaki cloth in the country and thereby increasing the consumption of bichromates.
- (7) The Central Government, in consultation with the State Governments concerned, may examine whether the prices charged by the suppliers of high-grade chrome ore are fair in relation to the current prices of low-grade ore.

- (8) The bichromate manufacturers have pointed out certain lacunae in the present import control arrangements regarding sodium bichromate, chromic acid and Brunswick Green which may be looked into. Complaints about the quality of indigenous chromic acid should be thoroughly investigated before imports are allowed.
 - (9) The Golden Chemicals, Ltd., Bombay, and the Pioneer Chromate Works, Ltd., Bombay, have formulated schemes for modernising their plants and processes of production. These schemes may be examined by the Development Wing of the Ministry of Commerce and Industry and if they are found feasible, necessary assistance may be given to the firms in implementing them.
 - (10) The industry should take up the question of freight rates on its materials again with the transport authorities and the latter should give it further consideration in the light of the special circumstances of location of the factories operating to the disadvantage of the companies. The industry should also be given reasonable transport facilities for its materials.
 - (11) The bichromate factories which at present depend mainly on Magadi soda ash should try to use indigenous ash to the fullest extent possible in preference to imported ash.
 - (12) The Buckingham and Carnatic Mills should explore the possibility of reducing their cost of lime.
 - (13) In the case of some units, there is scope for economy in the use of raw materials and such units should make further efforts in this direction.
 - (14) The quality of indigenous bichromates has been found generally satisfactory. The manufacturers should, however, endeavour to maintain the strength of their product at 99 per cent. A more careful inspection of the second-hand drums used by the industry is necessary in order to improve the packing of the product.
2. Government accept recommendations (1) to (9) and will take steps to implement them as far as possible. It will be necessary for the industry to apply under section 46-B of the Sea Customs Act to get a refund of the import duty referred to in recommendation (2).
3. As regards recommendation (10), the industry is advised to approach the Railway Administrations concerned for quotations of suitable station to station rates, with detailed justification for their requests.
4. The attention of the industry is invited to recommendations (11) to (14) above.

K. B. LALL, Jt. Secy.